

Starting Off on the Right Foot

(Answers to Questions Frequently Asked
by Political Committee Officers)

January 2004

- **Which Committees Must File Disclosure Reports?**

Washington State political committees that raise and spend money to influence certain elections must register and report in accordance with the Public Disclosure Law. A political committee is any person, group, club, organization or collection of individuals (except a candidate or individual dealing with his or her own funds) expecting to receive contributions or make expenditures in support of or in opposition to any candidate or ballot proposition, including annexation and incorporations ballot issues. Although a group may be a civic, social or professional organization primarily, it also may be a political committee if it accepts contributions specifically for use in election campaigns.

A political committee is exempt from reporting if its sole purpose is to support or oppose a local ballot measure in a town or district that had fewer than 1,000 registered voters as of the last general election.

- **Electronic Filing?**

Political Committees that expect to spend \$10,000 during the election are required to file campaign finance reports electronically. The PDC has developed free software for use in electronic filing of the required disclosure reports and offers free training on the use of the software.

To work properly, campaign data from the beginning of the election-cycle must be entered into the system.

For assistance with electronic filing of campaign finance reports, go to the PDC web page at www.pdc.wa.gov or call toll free at 1-877-601-2828.

- **What Starts the Whole Process?**

According to the disclosure law, your organization becomes a political committee when you: first have the expectation of receiving contributions or making expenditures in support of, or opposition to, any candidate or any ballot proposition.

- **When Do I Register as a Political Committee?**

Within two weeks of forming a committee or expecting to receive or spend funds (whichever occurs first), every political committee must file a registration statement (C-1pc) with the PDC and the County Auditor of the county in which the committee headquarters is located or, if no headquarters exists, with the county in which the committee treasurer resides.

A political committee which organizes within the last three weeks before an election must file the C-1pc registration statement within three business days after its organization or

when it first has the expectation of receiving contributions or making expenditures in the election campaign.

If paper filing, mail the original to PDC and a copy to your county auditor. (In King County, send copy to the Records, Elections and Licensing Services Division.)

Campaigns filing reports electronically with the PDC are not required to file with the County Auditor.

- **Where Do I Get Copies of Blank Forms and Instruction Manuals?**

Form templates, brochures and manuals are available on the PDC Web site at www.pdc.wa.gov under Filer Assistance. Contact the PDC at 360-753-1111 or toll-free at 1-877-601-2828, or order materials in the space provided on the C-1pc. County Auditors (King County: Records, Elections and Licensing Services Division.) also have PDC forms, manuals and brochures.

- **I Suspect There's More to This Reporting . . . Am I Right?**

Probably. It depends on how much you're going to raise and spend on the campaign.

If you choose Mini Reporting (because during the course of the election the committee will raise and spend no more than \$3,500 and won't accept more than \$300 from any contributor), the C-1pc report is all you have to file. Be sure to access and carefully review the Mini Reporting manual found at <http://www.pdc.wa.gov/filerassistance/manuals/>.

If you're going to raise and spend over \$3,500 during the election (or less than that, but you want to accept more than \$300 from one or more donors), you fall into the Full Reporting category and the political committee must file frequent contribution and expenditure reports (Forms C-3 and C-4, respectively). Be sure to review the Political Committee Manual at <http://www.pdc.wa.gov/filerassistance/manuals/>. The political committee treasurer should read the manual carefully.

- **When are Contribution and Expenditure Reports Due?**

C-3 Contribution Reports: Before July 1, political committees fill out a C-3 report for each bank deposit made and file the reports with their C-4 reports. Beginning July 1, on each Monday, campaigns must file C-3 reports of the bank deposits made during the previous 7 days.

Since contributions must be deposited within 5 business days of receipt, active campaigns will make at least one weekly deposit and, on Mondays, file a C-3 for each deposit.

C-4 Summary Reports: This report, along with its attached schedules, summarizes the campaign's financial activity and shows itemized expenditures; it's due:

From January through July, if a campaign has over \$200 in contribution or expenditure activity during a month, a C-4 report is filed by the 10th of the following month; During August through December, C-4 reports are due 21 and 7 days before the primary and general elections, even if there was little or no activity to report.

Obtain the 2004 Key Reporting Dates for Political Committees for filing dates and periods covered.

All PDC reports are considered filed as of the postmark date or, if filed electronically, on the file transfer date.

• Where Do I File PDC Reports?

Send the original of all campaign reports (the "C" series) to PDC; provide a copy of these campaign reports to your county auditor. (King County: Records, Elections and Licensing Services Division) By local ordinance, some political committees may also have to file copies of "C" reports with their city clerk.

NOTE: Campaigns filing reports electronically with the PDC are not required to file with the County Auditor.

• Must I Have a Separate Campaign Account?

Yes. By law, political committees must open a separate campaign account in a bank, credit union or savings and loan institution. We suggest you use the same name for your campaign account as you use for the committee.

• From Whom May I Accept Contributions?

Generally, contributions from individuals, corporations, unions and other organizations are permitted. Federal election law prohibits political committees in this country from receiving contributions from foreign nationals (individuals, corporations or other foreign business entities), national banks and corporations organized by authority of Congress and federal government contractors. Political committees supporting candidates for legislative and state executive office have special contributor restrictions. Local restrictions may apply to political committees supporting candidates seeking some county and city offices. Check with your county auditor (King County: Records, Elections and Licensing Services Division) or your city clerk.

• Is There a Contribution Limit?

State law sets contribution limits on donations to legislative and state executive office candidates as well as bona fide political party and caucus political committees. See instruction manuals for details.

Also, during the 21 days before the general election, no contributor (except the state committee of a major political party or a minor party) may give more than a total of \$50,000 to a

statewide office candidate or \$5,000 to any other candidate or political committee. Political committees must not accept contributions that exceed their respective limits. Additional local restrictions may apply to political committees.

• What is Political Committee Affiliation?

A political committee established, financed, maintained or controlled by a corporation, union, trade association, collective bargaining organization, federation of labor unions or any membership organization is automatically affiliated and shares a contribution limit with that entity.

In addition, there are other structural relationships that trigger automatic affiliation and, potentially, shared contribution limits. See the Political Committee Manual for details.

A contribution by a political committee with funds that have all been contributed by one person who exercises exclusive control over the distribution of the funds of the political committee is a contribution by the controlling person.

• Is There an Expenditure Restriction?

Although Mini reporting has an expenditure maximum, no other expenditure limit exists in state law.

According to statute, no expenditure may legally be made unless it's authorized by the treasurer of the political committee. Treasurers are also required to maintain a complete record of all expenditures, including obligations that have not yet been paid by the campaign.

• Must I Identify All Contributors?

Anyone who gives you more than a total of \$25 in monetary and in-kind contributions must be identified by name and full address. Plus, if an individual gives you more than \$100, you must also show this person's occupation and the name, city and state of his or her employer.

• Are There Laws Governing Political Ads?

Yes. Political advertising includes any advertising displays, newspaper ads, billboards, signs, brochures, articles, tabloids, flyers, letters, radio or television presentations, or other means of mass communication, used for the purpose of appealing, directly or indirectly, for votes or for financial or other support in any election campaign.

Political advertising does not include letters to the editor, news or feature articles, editorial comment or replies to editorials in a regularly published newspaper, periodical, or on a radio or television broadcast where payment for the printed space or broadcast time is not normally required.

Details are in PDC's Political Advertising brochure or the Political Advertising section in your instruction manual.

**For more information, contact PDC at
(360) 753-1111, toll-free 1-877-601-2828,
pdc@pdc.wa.gov (e-mail), or visit PDC's Website
(<http://www.pdc.wa.gov>).**